



Federal Update for March 17 - 21, 2014



DoD Retirement ► A New Approach

After years of silence on the intensely controversial issue of military retirement reform, the Pentagon on 6 MAR unveiled a detailed proposal for fundamental, far-reaching changes to the current pension system, Military Times has learned. The changes would preserve the current system's defining feature of a 20-year, "cliff-vesting," fixed-income pension. But it would ultimately provide smaller monthly checks, according to documents obtained by Military Times. To compensate for that, the new proposal would offer three new cash payments to be provided long before old age — a 401(k)-style defined contribution benefit awarded to all troops who serve at least six years; a cash retention bonus at around 12 years of service; and a potentially large lump-sum "transition pay" provided upon retirement to those who serve 20 years or more. In the broad view, the new plan would lower the total economic value of the military retirement package. But maybe not by that much. Details vary, but several options show a roughly 10 percent reduction in cumulative lifetime payments.

Pairing that long-term reduction with the new cash payments is a strategic decision by Pentagon personnel experts, based on the notion that troops would prefer a plan that gives them more money up front to reduce the impact of smaller pension payments later in life. "When compensation is paid out sooner, it has more value to the typical member who is assessing whether to continue in the military," according to a 44-page report outlining the new proposals. Less than 20 percent of service members ever see any retirement benefits under the current system, so the new proposal may be welcomed by the vast majority of troops who do not plan to stay for a 20-year career. What is sure to be one of the most controversial options outlined in the report would give "working age" retirees only a "partial benefit" pension check, forcing them to wait until a traditional retirement age, probably age 62, until becoming eligible for more robust monthly checks that reflect the "full benefit." That is a recognition that

most service members go on to second careers in the civilian world before leaving the workforce and retiring for good.

The basic building blocks of the new proposal are the cash incentives that would come while a member is still in uniform and right at retirement:

- For all troops, DoD would set up a Thrift Savings Plan account, the federal government's 401(k)-style savings account. Starting after two years of service, DoD would provide an annual direct deposit equal to 5 percent of basic pay. No contribution is required from service members, although they could contribute more on their own if they chose to. Full ownership of these accounts would transfer to individual service members after they reach six years of service, with the money available for withdrawal beginning at age 59½. Speaking hypothetically, Pentagon officials say that if such accounts had been in effect for the past 20 years, a retiring E-7 would have accumulated a total of about \$37,600 in his or her account, while a retiring O-5 would have an account worth about \$76,200. Both figures assume that the service members made no additional contributions, and that the annual rate of return on the investment was about 5 percent.
- The services would offer a retention incentive payment for troops who clear a midcareer milestone, most likely the 12-year mark. Also known as a "continuation pay," this bonus might be equal to two months' pay for enlisted troops and six months' pay for officers. The individual services would control this payment, and it could vary by career field if manpower planners need to bolster retention in specific pockets of the force.
- Upon final separation, troops who have served at least 20 years would get lump-sum transition pay. That might be as much as three years basic pay under scenarios that substantially reduce pension checks. It might be less than one year's basic pay under options that do not reduce the pension income as much. The size of this payment could be standardized under law to make it the same regardless of service or career field.

Building on those three incentives, the Pentagon report offers two "options" for a complete retirement overhaul, both of which involve reducing the "multiplier" used to calculate military retirement pay. The new Pentagon report does not appear to favor one approach over the other, saying only that research shows either option is workable and would not damage retention or force structure.

Under both alternatives, the report notes, retirees could expect their income in old age to rise after their TSP money becomes available for withdrawal at age 59½. The options would be:

- 1) Structured similar to the existing system: Retirees would begin collecting pension checks immediately upon separation and continue receiving those payments, with minor annual cost-of-living adjustments, for life.
- 2) A second — and potentially far more divisive — option would offer similar cash benefits up front but would provide a two-tiered pension with only “partial” monthly payments immediately after separating from the military, probably capped at 25 percent of late-career basic pay. This “partial benefit” would shift to a more generous full benefit after an individual reaches a traditional retirement age, probably 62.

The fixed-income retirement system is based on a yearly multiplier, currently 2.5 percentage points. That means a member’s retirement pay equals 2.5 percent of their average basic pay over their three highest earning years — almost always the last three — for each year of active-duty service. Serving 20 years results in a monthly check equal to 50 percent of that “high-three” average. A central question about the new retirement proposals is where to set the new multiplier.

- Option 1: Offers full benefits immediately after retirement but the multiplier would be reduced to 1.75 percent, giving troops retiring after 20 years monthly checks worth about 35 percent of their final high-three average. For example, an E-7 retiring after 20 years initially would get an annual retirement income of about \$19,970, which would rise to \$23,508 later in life, when additional income from the Thrift Savings Plan becomes available. Under the current system, that E-7 would get \$24,640 per year. For an officer retiring at the O-5 paygrade after 20 years, this option would result in an annual retirement income of \$37,884 during working-age retirement, rising to \$45,375 later when additional income from the Thrift Savings Plan becomes available. By comparison, that same officer under the current system would receive \$46,748.
- Option 2: Offers only a partial benefit for working-age retirees. The yearly multiplier might remain at 2.5 or be lowered to 2 percentage points, Pentagon documents show. Under this more aggressive version that lowers

the multiplier to 2.0, troops retiring after 20 years would receive about 40 percent of their high-three basic pay average after age 62. Before then, the partial benefit plan would give retirees pension checks capped at 25 percent of their high-three basic pay average. In effect, under this option, an E-7 retiring after 20 years would get initial annual retirement income of about \$18,117, which would rise to \$26,946 later in life after full benefit checks kick in and additional income from the Thrift Savings Plan becomes available. The partial benefit option offers a higher income in old age when compared to the current system, which would give that same E-7 about \$24,640 per year, mainly because it would be paid for a far fewer number of years. For the example of an officer retiring at the O-5 pay grade, that “partial benefit” system would result in an annual income of \$34,369 during his or her working-age retirement, which would rise to \$52,020 in old age after “full benefit” checks kick in and additional income from the Thrift Savings Plan becomes available. Again, compared to the current system, that “partial benefit” offers a higher income in old age.

Note: An important difference between the two options involves the “transition pay.” Under the “partial benefit” plan that reduces retirement pay during the “working age” years and increases it at age 62, DoD would offer a generous lump-sum transition pay that amounts to about 2 1/2 or three years of basic pay. Under the other option that more closely resembles today’s system, transition pay would probably be equal to one-half or three-quarters of one year’s basic pay. The proposals are detailed in a report prepared by the Defense Department’s Personnel and Readiness Office and sent on Thursday to Capitol Hill and also to the Commission on Military Compensation and Retirement Modernization, which is conducting a detailed study of military pay and benefits. The proposals are not formal recommendations and are not included in the Pentagon’s 2015 budget proposal. Making public the detailed analysis, known inside the Pentagon as a “white paper,” is intended only to inform public debate on a politically delicate issue that could have far-reaching effects on military retention. “These are the department’s views of potential options for modernizing retirement,” said a senior defense official who helped write the report. The proposal is based on a deeper level of analysis than other plans drawn up outside the Pentagon.

Manpower experts used complex computer models to help gauge how subtle adjustments in compensation affect troops’ decisions about their own careers.

“Unlike some of the proposals in the past, we were able to model various concepts to determine their impact on recruitment and retention,” the senior defense official said. Those retention models show that previous proposals calling for the elimination of the fixed-benefit pension and replacing it entirely with a 401(k)-style investment account would have a “devastating” effect on retention. Still, the Pentagon’s top brass believes the military retirement system has become too expensive and may soon begin to inhibit spending on weapons modernization and research. Today for every dollar paid in current compensation for active duty troops, the federal government sets aside 44 cents to cover the accrual cost of future benefits. Under the current system, the total lifetime value of an enlisted retirement package is usually at least \$1 million and for officers it is often more than \$2 million. Defense officials acknowledge that the total savings from the new proposals would be modest, especially in light of the Pentagon’s current budget environment that emphasizes large-scale cost reductions to meet near-term spending caps imposed by Congress. Rather, the personnel experts who developed the proposal aimed to make it more efficient, to integrate the active- and reserve components under a single system and to give manpower planners more levers to shape a future force that requires an increasingly complex mix of skills and experience. “Saving money was not of paramount importance,” said another defense official who worked on the proposal. “It was of equal importance to making sure our members maintain a very good retirement and, secondly, giving our force managers a retirement system that will be able to maintain the force and give them some additional flexibility. “We were not trying to squeeze as much money as we can out of this thing, the defense official said.

The proposals include changes to retirement for active-duty troops, reservists, wounded warriors and also revamps the survivors benefit program for retirees. Any changes to military retirement would require approval from Congress, and lawmakers are unlikely to take any action until after the military compensation commission submits its formal report, due next February. Top defense officials strongly support grandfathering any and all of today’s troops under the current system. Yet defense officials also support giving today’s troops a choice to “opt into” the new system. Officials believe it might appeal to young enlistees or junior officers who have been in the military for only a year or two and remain far from certain about whether they plan to stay in for a full 20 years — and would see at least some retirement benefit for serving as few as six years. “The analysis

conducted for this review suggests that a large fraction of personnel would opt into the new system,” the report said.

Officials acknowledge that fewer troops are likely to opt into a system that offers only “partial” retirement pay for working-age retirees. In other words, the belief is that troops would be more likely to opt into a new system with TSP contributions and transition pay if they can still count on a “full benefit” upon leaving service. “Nonetheless, the number of members who choose to participate in a new system would be sufficient to generate considerable cost savings in the initial years after the system is implemented,” the report said. Under all of the various plans, the cost of funding military retirement would go up temporarily as the Pentagon would have to meet new up-front commitments for the Thrift Savings Plan contributions for all troops, retention payments around the 12-year mark and the “transition pay” for departing troops. But in the long run, the new retirement plan would cost taxpayers less, with the savings growing over time as grandfathered troops retired and the force becomes filled with younger troops recruited under a new policy. Full savings would manifest only after about 30 years.

The Pentagon’s proposal could cut year-in, year-out accrual costs by more than 15 percent under the most aggressive options. The current retirement program costs taxpayers about \$25 billion annually in accrual costs. The new proposals would ultimately reduce that by between \$1.5 billion to \$4 billion, or between 5 percent and 15 percent. That amount of annual savings amounts to less than one percent of the overall defense budget, which this year is more than \$500 billion. [Source: ArmyTimes | Andrew Tilghman | 6 Mar 2014 ++]

DoD Disability Severance Update ► Pentagon Proposes Change

The Pentagon’s new retirement reform proposal would make sweeping changes to the complex system of benefits that aim to compensate wounded warriors for injuries that cut short a military career. The new rules, proposed as one element of a broader military retirement reform package, would allow more wounded warriors to qualify. It would increase payments to many individual veterans. And it would ultimately cost the Defense Department more money, according to a report unveiled 6 MAR. The biggest difference would be the elimination of the

offset policy that prevents wounded warriors from collecting disability payments from both the Defense Department and Veterans Affairs Department. As a result, there would be no need for the convoluted rules for exemptions collectively known as “concurrent receipt.” Under today’s system, most military disability benefits are reduced dollar-for-dollar by the amount that a wounded warrior might receive in disability payments from VA.

The Defense Department’s proposal is an explicit acknowledgment that its current disability compensation benefit is deeply flawed. Today’s system “does not fully compensate service members for the expected value of a lost military career” and the new proposal is an effort to “close the gap,” according to the new Pentagon retirement report. On March 6, the Defense Department sent the 44-page report about retirement reform to Capitol Hill and also to the Military Compensation and Retirement Modernization Commission, which is conducting a broad study of pay and benefits. The proposal would:

- Change the qualifications for disability retirement benefits. Currently, a service member must be declared medically unfit for duty and also obtain a disability rating of 30 percent.
- Eliminate the 30 percent requirement for service members who have at least 12 years of service.
- Change the way disability benefits are calculated. Service members could no longer choose a payment based on their disability rating. Instead, the payment would be based solely on years of service.
- For wounded warriors stuck in the military’s limbo of “temporary disability,” which can last up to five years, the floor of disability payments would be raised. [Source: Military.com | Andrew Tilghman | 6 Mar 2014 ++]

DoD Sexual Abuse Update ► Senate Blocks Jurisdiction Change

The Senate on 6 MAR rejected a proposal to move sexual assault cases outside the military chain of command, instead backing simpler reforms to the military justice system. Victim advocates lamented the vote, which fell five senators short of advancing past a procedural hurdle, as a lost opportunity and a potentially discouraging message to female service members who face harassment and

intimidation. But opponents of the proposal — among them, Pentagon leaders — called it a well-intentioned overreach that would handicap military efforts to crack down on sexual assaults. “The strongest, most effective approach we can take to reduce sexual assault is to hold commanders accountable,” said Senate Armed Services Chairman Carl Levin (D-MI). “To do this, we must maintain the important authority to prosecute sexual assaults that our military commanders now have, and add greater accountability for those commanders.”

The legislation, sponsored by Sen. Kirsten Gillibrand (D-NY) would have overhauled sexual assault prosecution in the military by taking the decision of whether to pursue legal action away from commanders, instead giving it to independent prosecutors. Gillibrand said the move was the only way to ensure that serious crimes were pursued instead of covered up. Over the course of dozens of hearings and press conferences in the last year, she and supporters chastised a military old-boys network that revictimized sexual assault survivors, convincing many that it was better to stay silent than seek justice. “Today, many members of the Senate have turned their back on these victims and survivors,” she said after the vote. But opponents of her plan challenged her victims-vs-commanders narrative, saying that a reform package backed by Sen. Claire McCaskill (D-MO) was a more reasoned approach to solving the problem. Her legislation, which sailed through a procedural vote without opposition, is expected to be passed by the full Senate on Monday. It would remove the “good soldier” defense for troops, preventing military character from being used in trials to refute sexual assault claims, and allow victims’ input in whether their cases are tried in military or civilian courts.

McCaskill called the vote on her measure — and the defeat of Gillibrand’s bill — a victory for victims and the military. “We have a laundry list of things that will protect victims, bring perpetrators to justice, and hold our commanders accountable.” Thursday’s Senate vote came the same day as the start of trial of Army Brig. Gen. Jeffrey Sinclair, accused of forcing a female captain to perform oral sex and threatening to kill her family if she publicly acknowledged their three-year affair. The case against Sinclair became a cornerstone of a year-long debate about sexual assault in the military, and whether senior defense officials could be trusted to fix systemic cultural problems in the ranks. In addition, Army officials confirmed Thursday that a lieutenant colonel who supervises sexual assault

prosecution for the entire service is under investigation for allegedly groping a female colleague.

McCaskill said she is hopeful House leaders will move ahead with her measure after it passes the Senate next week. Last year, as part of the annual defense authorization bill, Congress passed a host of related sexual assault reforms, including independent legal counsel for victims and mandatory dishonorable discharges for troops convicted of those crimes. Gillibrand, meanwhile, vowed to continue her fight. She hinted she may push to include the idea in the next defense authorization bill, despite resistance from Senate Armed Services Committee members. “What we’ve heard from military commanders for 20 years is zero tolerance,” she said, “but what we’ve seen is zero accountability.” [Source: Military.com | Leo Shane | 6 Mar 2014 ++]

Commissary Policy Changes Update ► From Benefit to Business

Behind the plan to slash taxpayer support of commissaries is a concept Defense Secretary Chuck Hagel and his senior advisors have embraced that base grocery stores should operate as a business and not a benefit. This shift is candidly revealed in budget documents released 4MAR and in a legislative packet for implementing the funding cuts drafted by the Defense Commissary Agency (DeCA). The documents make clear that individual stateside commissaries will survive only if they produce enough revenue to cover operating costs. Hagel gave a softer summation to the Senate Armed Services Committee on 5 MAR. “We are not shutting down any commissaries. We recommend gradually phasing out some subsidies but only for domestic commissaries that are not in remote locations,” the defense chief said. Because stateside stores “will continue to operate tax-and-rent free, they will still be able to provide people with a very good deal.”

Resale industry officials and military associations dispute this and predict closure of most stateside commissaries. Only stores overseas and at 25 remote stateside bases would be funded after fiscal 2017. DeCA’s annual appropriation of \$1.4 billion would be cut by then to \$400 million. That’s enough to offer shoppers savings of 10 percent off “high priced private grocery stores,” the budget documents estimate. Savings would be even “more modest” in comparison to prices at discount grocery chains. “In the end, patron usage of the commissaries

will determine the savings and their comprehensive advantage,” explains the “overview” report from the Obama administration on its 2015 defense budget request. Commissary shoppers now save an average of 30 percent compared to prices for a range of private sector grocery stores, DeCA said. The hit to those savings would be felt “worldwide,” budget documents explain.

The draft implementing legislation has a telling description of commissaries run as businesses. Criteria for opening and closing stores, it says, would make cost recovery “the primary factor for their existence, as opposed to the needs of active duty members and their families or the welfare of the military community.” That statement captures what’s ahead for a long prized benefit if Congress adopts the plan in the budget, said an industry official. He described the plan as carelessly conceived and devastating to the “ecology” of base stores, both exchanges and commissaries. There were no signals of stiff resistance from the Senate Armed Services Committee on Wednesday when Hagel and Army Gen. Martin Dempsey, chairman of the Joint Chiefs, detailed the new budget with its sweeping changes impacting commissaries and the Tricare program. Sen. Saxby Chambliss (R-GA) called commissaries a “core benefit” that contributes “greatly to recruitment and retention, even though I am one of those who thinks [troops] may get just as good a deal at some other retail outlets around the country.” Encouraging commissaries “to act more like a business...makes sense. I agree with that,” Chambliss said. But the senator questioned whether changes to this benefit should be delayed until the Military Compensation and Retirement Modernization Commission make its report in FEB2015. He and Sen. Mark Warner (D-Va.) have introduced a bill to mandate such a delay. Hagel and his comptroller Robert Hale explained that some savings from compensation reforms are needed now because budget cuts already are impacting training, troop support and overall readiness. Hagel noted that exchanges operate on the same business model and are successfully self-sustaining. So senior leaders, relying on “significant analysis,” decided “we knew enough about where we thought we’re going to have to eventually go with commissaries,” Hagel said.

On 24 FEB, the day Hagel first unveiled highlights of the budget with its plan for commissaries, he recognized “senior enlisted leaders in each of the services for [their] help and input in crafting this budget.” Two days later, however, some of those enlisted leaders told a House appropriations subcommittee that their support for compensation reforms didn’t extend to the deep hit on the

commissary benefit. Sergeant Major of the Marine Corps Micheal P. Barrett and Chief Master Sergeant of the Air Force James A. Cody noted that young families in particular depend heavily on the shopping discounts. Barrett called it “ridiculous that we're going to go after something that saves some young lance corporal, an E-3, \$4,500 a year.” If that E-3 has two kids, he added, “and every time he shops it's \$240, well unbeknownst to him he just put \$80 worth of gas into his car.” Base exchanges could also be at risk, say industry officials. Their profits already are stressed by base closures overseas, deep force cuts, and minimum wage hikes on service contracts.

The plan for commissaries would deepen these challenges by reducing shopper traffic on base and by allowing commissaries to offer products now sold only in exchanges. DeCA’s implementing legislation shows commissaries would operate far different than they do today. A surcharge of at least 5 percent would still be collected on goods sold. But to capture more revenue, DeCA seeks authorities to run its stores like commercial supermarkets. That means a broader mix of products including beer and wine. Restrictions would be lifted on sale of generic or local goods to compete with brand names. A legal requirement to sell goods at cost would end so prices could climb as needed and would vary from store to store. DeCA could advertise to try to keep patrons and hire private contractors to operate specific store functions. It also wants relief from “socio-economic” laws that dampen savings, including a requirement to buy certain supplies and services from nonprofit employers of persons who are blind or have other significant disabilities. [Source: Stars & Stripes | Tom Philpott | 7 Mar 2014 ++]

VA Budget 2015 Update ► President’s Proposal

Continuing the transformation of the Department of Veterans Affairs (VA) into a 21st century organization, the President has proposed a \$163.9 billion budget, a 6.5 percent increase over Fiscal Year 2014, that will support VA’s goals to expand access to health care and other benefits, eliminate the disability claims backlog, and end homelessness among Veterans. The budget includes \$68.4 billion in discretionary spending, largely for healthcare which includes approximately \$3.1 billion in medical care collections from health insurers and Veteran copayments. It also includes \$95.6 billion for mandatory programs – mostly disability compensation and pensions for Veterans. “This budget will allow us to continue the progress we have made in helping Veterans secure their place in the middle

class,” said Secretary of Veterans Affairs Eric K. Shinseki. “It is a tangible demonstration of the President’s commitment to ensuring Veterans and their families have the care and benefits they’ve earned and deserve. ... We remain committed to providing Veterans the opportunity to pursue their education, find meaningful employment and access high-quality health care,” Shinseki added. “From the men and women of ‘the greatest generation’ to the Veterans who have returned from our most recent conflicts in Iraq and Afghanistan, no one deserves it more.”

VA operates one of the largest integrated health care systems in the country with nearly 9 million enrollees; the ninth largest life insurance program; monthly disability pay, pensions and survivors payments to more than 5.1 million beneficiaries of monthly pay, pensions and survivor benefits; education assistance or vocational rehabilitation benefits and services to 1.2 million students; mortgage guaranties to over 2 million homeowners; and the largest cemetery system in the nation. Here are highlights from the President’s 2015 budget request for VA.

Health Care

With a medical care budget of \$59.1 billion, including collections, VA is positioned to provide care to 6.7 million patients in the fiscal year beginning Oct. 1. The patient total includes over 757,000 people whose military service began after Sept. 11, 2001.

Major spending categories within the health care budget are:

- \$7.2 billion for mental health;
- 2.6 billion for prosthetics;
- \$561 million for spinal cord injuries;
- \$229 million for traumatic brain injuries;
- \$238 million for readjustment counseling; and
- \$7.0 billion for long-term care.
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Expanding Access

The President’s proposed budget would ensure that care and other benefits are available to Veterans when and where they need them. Among the programs that will expand access under the proposed budget are:

- \$567 million in telehealth funding, which helps patients monitor chronic health care conditions and increases access to care, especially in rural and remote locations;
- \$403 million for health care services specifically-designed for women, an increase of 8.7 percent over the present level;
- \$534 million for the activation of new and enhanced health care facilities;
- \$562 million to continue on-going major construction projects;
- \$86.6 million for improved customer service applications for online self-service portals and call center agent-assisted inquiries; and
- \$3.6 million to open two new national cemeteries in Florida and prepare for the opening of two new rural national Veterans burial grounds.

Eliminating Claims Backlog

The President's proposed budget provides for full implementation of the Veterans Benefits Administration's (VBA) robust Transformation Plan -- a series of people, process and technology initiatives -- in FY 2015. This plan will continue to systematically reduce the backlog and enable the Department to reach its 2015 goal - to eliminate the disability claims backlog and process all claims within 125 days with 98 percent accuracy. Major transformation initiatives in the budget proposal invest \$312 million to bring leading-edge technology to the claims backlog, including:

- \$173 million (\$137 million in Information Technology and \$36 million in VBA) for the next generation of the electronic claims processing system Veterans Benefits Management System (VBMS); and
- \$139 million for Veterans Claims Intake Program (VCIP) to continue conversion of paper records into electronic images and data in VBMS.

Eliminating Veterans Homelessness

A major strategic goal for the Department is to end homelessness among Veterans in 2015. The budget request targets \$1.6 billion for programs to prevent or reduce homelessness, including:

- \$500 million for Supportive Services for Veteran Families (SSVF) to promote housing stability;

- \$374 million for the HUD-VASH program wherein VA provides case management services for at-risk Veterans and their families and HUD provides permanent housing through its Housing Choice Voucher program; and
- \$253 million in grant and per diem payments that support temporary housing provided by community-based organizations.

Other Services for Veterans

Other features of the administration's FY 2015 budget request for the department are:

- \$257 million to administer the VA-run system of national cemeteries;
- \$3.9 billion for information technology; and
- \$1.2 billion in construction, cemetery grants and extended care grants.

[Source: VA Press Release 4 Mar 2014 ++]

VA Data Breaches Update ► Beach Predicted within 12-18 Months

An internal investigation found the Department of Veterans Affairs' data security is so poor a data breach is "practically unavoidable" within 18 months, according to a draft of the VA's report. "It's practically unavoidable that a data breach to financial, medical, and personal Veteran and employee protected information may occur within the next 12 to 18 months, with no way of tracking the source of the breach," according to a report obtained by Military.com and first reported by CNBC. The VA's Office of Information & Technology Risk Management Team completed the assessment in July and found the department was "non-compliant with its own privacy and security policies and with federal laws and regulations," the draft report stated. "The VA cannot ensure the safety and privacy of Veteran and employee healthcare, benefits, and financial information," a heavily redacted version of the report stated.

However, the VA claimed the report may not be completely accurate. VA officials said the assessment did not take into account all of the security factors the VA already has in place for its systems and network. The VA emphasized the report was only an initial draft. VA leaders have since taken steps to validate the concerns in the report or put in place additional protections, an official said. The

VA did not specify why the VA's Information & Technology Risk Management Team would not be aware of the full range of the VA's data security system. "VA takes seriously its obligation to properly safeguard any personal information within our possession. VA has in place a strong, multi-layered defense to combat evolving cybersecurity threats," said Genevieve Billia, a VA spokeswoman. The VA holds personal records for about 20 million veterans, employees and dependents. In January, the VA sustained a "software defect" on its eBenefits website and released personal details for more than 5,000 people. Two years earlier, the VA mistakenly released data to the website Ancestry.com.

Despite the VA's claims that the problem is not as grave as the draft report suggested, members of the House Committee on Veterans' Affairs are concerned. Rep. Jackie Walorski (R-IN) said these sorts of risks are why the committee asked the VA to offer credit monitoring services to veterans and dependents in the VA database. "It's incumbent upon VA to clarify what specific portions of this report were inaccurate and what changes have been made since the report has been finalized," Walorski said. "Is a data breach to veterans' financial, medical and personal information 'practically unavoidable' as the report states? If not, how likely is it? VA owes it to America's veterans and American taxpayers to answer these questions in short order."

The VA's Information and Technology Risk Management Team found the VA's system did not comply with the Health Insurance Portability and Accountability Act's Security Rule, the Federal Information Security Management Act, and the Fiscal Integrity Act. "The result will be a significant possibility that inappropriate record access may cause unintended exposure of Veteran employee protected information resulting in litigation, Congressional scrutiny, fines and settlements," the report stated. VA leaders emphasized the department has put in place an "aggressive program to identify and address risks. The VA has designed a system to properly forecast and assess risks to veterans' data, an official said. "VA is committed to protecting Veteran information, continuing its efforts to strengthen information security, and putting in place the technology and processes to ensure Veteran data at VA are secure," Billia said. [Source: Military.com | Michael Hoffman | 24 Feb 2014 ++]

VA Mobil Counseling Centers Update: VA2Vets Tour 2014

The U.S. Department of Veterans Affairs is rolling out the VA2Vets Tour to make sure eligible Veterans get the benefits that are available to them. The nationwide tour includes 70 RV's that are set up as mobile vet centers. Over the next year visit every county in Georgia as well as roam the nation to reach as many other counties as possible. The goal is to be accessible to Veterans who might otherwise not have access to a VA Center. The tour is kicking off in Georgia. According to the VA, Georgia is home to 770,000 Veterans, thousands of whom aren't using, but may be eligible for, benefits through the VA. These include benefits like health care, help with buying a home, and money for a college education. "59% of Veterans know little to nothing about their benefits and these are life changing benefits," said Tommy Sowers, Assistant Secretary for Public and Intergovernmental Affairs for the U.S. Department of Veterans Affairs. "They change millions of Veterans lives, they changed my life," he said.

Vets can come to the mobile centers to get information, meet with counselors, and even sign up for benefits right there on the spot. One of the first stops on the tour was at Georgia Tech University. PHD student Mock Abdelaal served in the U.S. Marine Corps. "I served in Iraq and I was there for the invasion," he said. Abdelaal stopped by the mobile vet center. He says he knew the VA was there for him and knew they offered various services, but wasn't aware of the extent. "I didn't realize that I had 5 years of guaranteed medical coverage, cost free...because I'm a combat vet. So I didn't realize that and I had gone to doctors and paid money," he said. He says if he's not aware of certain benefits, he can only imagine the benefits that older generations are missing out on. He thinks these mobile units will help. "I have high hopes that people can get covered and get taken care of". [Source: All News 106.7 | Carolyn Ryan | 7 Mar 2014 ++]

VRAP Update ► VA Will Advance Pay thru 30 Jun

Three years ago, the *Veterans Opportunity to Work Act of 2011* created the Veterans Retraining Assistance Program (VRAP) that has helped many unemployed veterans access educational programs. This program came at a crucial time when veteran unemployment was at 8.3%. VRAP was specifically designed to cover veterans who are not eligible to receive GI Bill educational

benefits. VRAP has helped qualified veterans who are 35 to 60 years old obtain up to 12 months of education benefits equal to the full-time Montgomery GI Bill. Since the program's launch, it has come to support more than more than 76,000 unemployed veterans and helped our Nation honor the sacrifices they made to their country.

Under the current law, the Department of Veterans Affairs' (VA) authority to issue payments to VRAP participants will end March 31, 2014 – in the middle of the Veterans' spring academic semester. Concerned that funds would be cut off before VRAP participants could complete their academic semesters, President Obama asked VA to explore all available options to ensure that eligible veterans are able to finish their Spring 2014 semester. Today, VA has taken steps to do just that. To enable VRAP participants to complete training for their current enrollment period, VA will make payments prior to March 31, 2014, to cover training from April 1, 2014 through the conclusion of a Veteran's current enrollment semester or term or through June 30, 2014, whichever is earlier. For more information on the VRAP program, please go to www.gibill.va.gov or call the VA GI Bill Benefits line at 1-888-442-4551. [Source: VAntage Point Blog | Curtis Coy & Rich Morales | 5 Mar 2014 ++]

Gulf War Syndrome Update ► New Report Addresses Name

Gulf War veterans have such a wide array of symptoms and exposures that researchers and clinicians should not apply one definition to everyone, and should instead "select one based on their needs," according to a report from the Institute of Medicine released 12 Mar. The Department of Veterans Affairs should also continue to call the string of symptoms "Gulf War illness," rather than chronic multi-symptom illness as proposed, because chronic multi-symptom illness (CMI) "is not specific to the population and its unique experience," the report finds. "The wide variation in symptoms has complicated efforts to determine whether a distinctive illness exists, as many symptoms of CMI overlap with those of other diseases and conditions, such as fibromyalgia and chronic fatigue syndrome," the committee found.

But advocates for those suffering from Gulf War illness say the latest report ignores earlier research and reflects the VA's bias against coming to terms with

the illness 23 years after the 1991 end of the Gulf War. "The conclusions of the report show that it was a waste of money," said Jim Binns, chair of the Research Advisory Committee on Gulf War Veterans' Illnesses. "The committee never had the expertise or the process to do a case definition. It's good they didn't do one." Binns called the bulk of the report "a slanted view of Gulf War research totally inconsistent with the science of the past decade." He cited a previous report [http://www.nap.edu/catalog.php?record_id=12835] from the Institute of Medicine (IOM) itself, as well as from his committee [http://www1.va.gov/RAC-GWVI/docs/Committee_Documents/GWlandHealthofGWVeterans_RAC-GWVIReport_2008.pdf]. Binns said the IOM's charge from the VA did not "provide for the rigorous data analysis and development of new data nor for the use of a panel of experts in the illness itself that are universally recognized as the keys to developing a case definition for an illness." Jennifer Walsh, a spokesperson for IOM, said the committee reviewed animal studies, but did not use animal or exposure studies in the report because it decided it would not look at the cause or origination of Gulf War illness.

The VA released a statement in response to the report and Binns' statement: "*The Department of Veterans Affairs recognizes and respects the service, dedication and many challenges faced by Veterans of the 1990-1991 Gulf War, and is committed to continuing improvements in care and services for Gulf War Veterans,*" it read. "*While IOM concluded there was insufficient evidence to develop a new case definition, VA agrees with their assessment that CMI is an important cause of disability and health issues for veterans as a result of their service during the 1990-1991 Gulf War.*" The IOM did find that fatigue, pain and neurocognitive issues had been reported in all of the studies that they reviewed. About one-fourth of the war's 700,000 veterans developed symptoms that include chronic headaches, widespread pain, memory and concentration problems, persistent fatigue, gastrointestinal problems, skin abnormalities and mood disturbances.

Gulf War veterans had feared the multi-symptom label would cause them to be lumped in with veterans of other wars who have returned with perplexing symptoms. But recent research has shown with MRIs that some Gulf War veterans have damage to the brain that could explain their symptoms. Other recent studies have shown damage to the autonomic nervous system. IOM researchers did not look at the possibility of environmental toxins, such as to sarin

gas, anti-nerve-agent pills, or insect repellent, which some scientists believe hold the key to the disease. "Since the conflict in the Persian Gulf from 1990 to 1991, Gulf War veterans have experienced various unexplained symptoms that many associate with their service, but no specific exposure has been definitively associated with symptoms," the committee found. They also found no "no clinically validated tests or measures for diagnosing CMI and was unable to develop a new consensus definition of CMI given the lack of uniform symptoms, the variety of symptoms, and the long onset and duration."

"CMI is an important cause of disability among Gulf War veterans," said Kenneth Shine, chair of the committee and special adviser to the chancellor at the University of Texas System. "The diversity and intensity of exposures and experiences, as well as the breadth and extent of symptoms, warrant workable definitions of the illness and nomenclature so the VA can advance research and administer effective treatments." The Institute of Medicine is an independent, non-profit research arm of the National Academies, an umbrella research organization that includes academies for science and engineering. Its report follows a year of animosity between the VA and the Research Advisory Committee on Gulf War Veterans' Illnesses, an independent body charged with overseeing the VA's Gulf War illness research. In the past year, the VA has replaced all but one of the board members, ended Binns' tenure as the board's chairman, removed the board's charge to review the effectiveness of the VA, and pushed research that looks at stress as a cause, rather than environmental factors.

Last week, the VA told the board they must have the VA's written approval before releasing any reports. Soon after, they removed the board chairman's research report from a letter he wrote to VA Secretary Eric Shinseki. Aides to members of the House Veterans Affairs Committee said they plan to introduce legislation asking that the board regain its autonomy. The VA released a statement saying they appreciate the board's "valuable advice" and that it does not support the idea that Gulf War illness is the result of "post-traumatic stress disorder or other mental health issues that arose as a result of being deployed." The advisory committee was formed in 1997 after a congressional report found that the VA's work on "Gulf War issues" was "irreparably flawed." Congress found that the VA had focused most, if not all, of its attention on psychiatric causes of the illness.

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